



## CITY OF DURHAM | NORTH CAROLINA

**Date:** August 28, 2013

**To:** Thomas J. Bonfield, City Manager

**Through:** W. Bowman Ferguson, Deputy City Manager

**From:** Donald M. Long, Solid Waste Management Director

**Subject:** Amendment # 1 to the Inter-Local Agreement to Provide Recycling Collection Service for Durham County Convenience Centers

### Executive Summary

In September 2012 the City of Durham and Durham County entered into an Inter-Local Agreement (ILA) for the Department of Solid Waste Management (SWM) to provide recycling collection services at the four Durham County Convenience Centers. Durham County has expressed that they are pleased with the level of service provided by SWM over this last year in the collection of their recycling. Both parties continue to envision this Inter-local agreement as an opportunity to build a lasting partnership between the two governmental agencies and agree to extend the original ILA for an additional two years.

### Recommendation

The Department recommends that the City Council authorize the City Manager to execute Amendment #1 to the Inter-Local Agreement to Provide Recycling Collection Service for Durham County Convenience Centers for two additional years. The City is expected to receive \$111,528.00 annually for these services. The cost to the City to provide this service is \$76,536.00 per year.

### Background

Durham County provides trash and recycling services for customers using curbside service and its four convenience centers. A request for proposal was issued in 2012 seeking vendors to provide trash and recycling services to which the Solid Waste management responded on behalf of the City of Durham to provide recycling. The convenience centers generated 820 tons of recyclable material in FY 12-13.

After meeting with Durham County personnel in 2012, the Department of Solid Waste Management determined it could provide the service to the County via an Inter-Local Agreement. It was agreed by the City and County that the initial Inter-Local Agreement would be for a period of one year, with an option to renew the Agreement for two additional two-year terms, for a total of five years. Durham County has been pleased with the level of service provided by the City of Durham's Solid Waste Management Department and is requesting that the Inter-Local Agreement be renewed for a two-year term to conclude June 30, 2015.

### Issues/Analysis

The Department has eliminated the roll-off container program as one of its core functions due to the cost to provide the service. The City will utilize the key components of the roll-off container program to provide collection service to the County. The costs to provide this service to the County include the use

of the roll-off truck, fuel, maintenance, and personnel. It is anticipated that the annual cost for this service will be \$63,780 plus a 20% contingency, which totals \$76,536.00

**Alternatives**

The alternative is to terminate the existing Inter-Local Agreement to provide collection service to the County's convenience sites. This would result in the loss of revenue generated with the Inter-Local Agreement and through the sale of recyclable material.

**Financial Impacts**

The Inter-Local Agreement will potentially run for a period of five years, with this renewal term being for two years. The annual minimum payment the City will receive is \$111,528.00. The agreement includes a fuel surcharge that will be adjusted semi-annually based upon the average diesel fuel cost provided by the City's Fleet Management Department. Additional revenue can be realized through the sale of recyclable material, averaging \$12,240 to \$20,700 annually. The total amount of revenues received will depend on market conditions.

**SDBE Summary**

The Ordinance to Promote Equal Opportunity in City Contracting does not apply to this item.